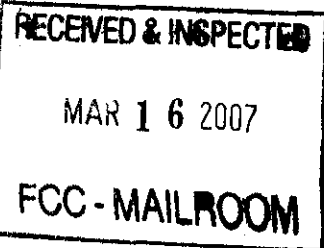


March 13, 2007

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Federal Communications Division  
Office of the Secretary  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

RE:

Appeal of the Decision of the Universal Service Administrator  
CC Docket No. 02-6

Contact:

Janice Meyers

Letter of Agency for Mount St. John School  
Janice Meyers Educational Consulting  
218 Gordon Ave.  
Sleepy Hollow, NY 10591

Funding Year: 2006  
Applicant Names: Mount St John School  
Entity Numbers: 5663  
Form 471 Numbers: 523419  
Funding Request Number: 1441714

Background:

On October 23, 2006 the Funding Request Number 1441714 was denied for the following reason: "This funding request is denied as a result of a Cost Effectiveness Review which has determined that your request for Basic Maintenance has not been justified as cost effective as required by FCC rules."

Upon appeal Funding for FRN 1441714 was denied by USAC for the reason that "The cost of the maintenance for piece of equipment (\$3,161.65) and the cost per student (\$962.00) has found to be not cost effective. FCC rules state that, in selecting a service provider, the applicant must carefully consider all bids submitted and must select the most cost-effective service or equipment offering, with price being the primary factor, which will result in being the most cost effective means of meeting educational needs and technology plan goals."

In this case, we believe that USAC's real reason for the denial is that the schools' funding request for Basic Maintenance of Internal Connections exceeded some predetermined guideline based on the number of students. We would ask the Commission clarify the cost-effectiveness measures and guidelines used by USAC to relate to the cost of the product or service required to implement the school's technology plan, not to the arbitrary cost per student that discriminates against small schools.

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Mount St John School serves troubled boys who have been removed by the state from their homes. The school operates 12 months a year and has a longer school day to accommodate the IEP's (Individual Education Plan) of the students. These student require a large number of staff to insure that their educational, emotional, and safety needs are met.

#### Arguments:

We followed of the SLD procedures to submit this application. The FRN was based on a properly filed Form 470. Under FCC rules, a Form 470 posting constitutes an allowable and competitive bid and establishes a presumption that the bids and contracts are cost effective.

In addition, Mount St. John School checked to compare costs of maintaining a network of similar equipment and complexity. As of 2006, Mount St. John School had a network which costs \$610,430.31. The business industry standards dictate that the cost of maintaining a network is between 13-18% of the total cost of equipment. We asked for \$ 57,720 in Basic Maintenance or 9.5% of the total cost of the equipment to maintain the network. We feel that this was cost effective.

The SLD had no problem in granting the funding requests of Mount St. John School to build the current infrastructure. To date, the school has been fortunate enough to have funding from the SLD since 2000 in excess of \$600,000 regardless of the "number of students".

It seems that USAC has ruled that it is not "cost effective" to spend this much money on this few students, even though they had no problem building the network based on "the number of students". This is not the same definition of "cost effectiveness" that was addressed in the FCC *Yselta* decision. The cost of the Basic Maintenance for the Mount St. John network was well below the industry standard.

The Special Education students at Mount St. John (as well as all special education students) exceed the normal costs to educate and remediate, usually three to six times depending on their diagnosis and treatment plans. Few people would argue that the higher costs of these children are not justified or "cost effective"

Since the SLD denial, the school has had to bear 100% of the cost to maintain their network. This has resulted in the school diverting discretionary educational funds to cover the cost of maintaining this much used network.

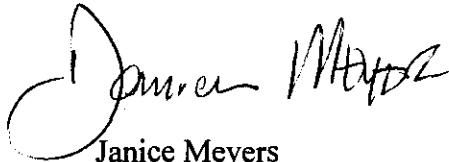
The Universal Service program has a commitment to making telephone services universally available. The program regularly provides subsidies for higher unit cost situations. The cost to provide service to users in rural areas is often more expensive per user than urban areas. I would argue that to deny a request based of the "number of students" as "not cost effective" goes against the very integrity of the Telecommunications Act and the Universal Service Fund.

Conclusion:

By this appeal, we ask the Commission to review to above and overturn the USAC's denial of funding for FRN 1441714.

We ask that the FCC clarify that the FCC's prior guidance on the cost effectiveness as expressed in the Ysleta Order ( FCC 03-313) was based on relative prices available in the marketplace for goods and services, not on per student costs.

Sincerely submitted,

A handwritten signature in black ink, appearing to read "Janice Meyers", with a large, stylized initial "J".

Janice Meyers  
Letter of Agency for Mount St. John School  
Janice Meyers Educational Consulting  
218 Gordon Ave.  
Sleepy Hollow, NY 10591  
914-715-2466  
[meyersjanice@hotmail.com](mailto:meyersjanice@hotmail.com)

Attachment:

Letter of Appeal from Mount St. John School to USAC dated December 20, 2006

December 20, 2006

To:

Letter of Appeal  
Schools and Libraries Division - Correspondence Unit  
100 S. Jefferson Rd  
P.O. Box 902  
Whippany, NJ 07981

Applicant Name; Mount St. John School  
BEN 5663  
Application number 523419  
FRN 1441714

From:

Janice Meyers  
Letter of Agency for Mount St. John School  
218 Gordon Ave.  
Sleepy Hollow, NY 10591  
[meyersjanice@hotmail.com](mailto:meyersjanice@hotmail.com)  
914-715-2466 phone  
914-332-0075 fax

Mount St. John School entered into a contract covering the 2006-2007 school year for Basic Maintenance to cover E-rate equipment and cabling for \$57,720.00 under FRN 1441714.

On October 31, 2006 the request was denied with the following reason: "This funding request is denied as a result of a Cost Effectiveness Review which has determined that your request for Basic Maintenance has not been justified as cost effective as required by FCC rules."

We are appealing this decision based on the following:

A footnote in a recent Global Resolution Order (see DA06-1642) states: "The commission's rules...do not expressly establish a bright line test for what is a "cost effective service". Although the Commission has requested comment on whether it would be beneficial to develop such a test, it has not, to date enunciated bright line standards for determining whether a particular service is priced so high as to be considered excessive or not cost effective."

The Basic Maintenance for the 2006-2007 year covers equipment and wiring installed since 2000. The amount of this equipment is \$ \$ 610, 430.31 See the attached spreadsheet for details. The industry standard for maintaining equipment in the business world is from 13%-18% of the cost of the equipment.

Mount St. John School requested \$ 57,720.00 for Basic Maintenance which is less than 9.5 % of the cost of the equipment over the years. This is well below industry standards. The school felt that this was cost effective based on industry standards.

It should be noted that some of the equipment is 6 years old, but the school felt that it was more cost effective to keep this equipment because it was still functional than replace it. Most of the servers were replaced so the old servers were decommissioned and the new servers needed to have the data and accounts migrated to them.

Mount St John School serves troubled boys who have been removed by the state from their homes. The school operates 12 months a year and has a longer school day to accommodate the IEP's (Individual Education Plan) of the students. These students rely on the educational network and the Internet to bridge the "digital divide". Many of these students came from very impoverished homes and had no prior experience with technology. The school hopes to create life-long learners who will be capable of becoming productive and technologically literate citizens.

The denial of this request has forced Mount St. John School to divert funds used for other purposes to maintain this much needed network. Please restore full funding for FRN1441714 so that Mount St. John School can continue its mission of rehabilitating these students.

March 13, 2007

Federal Communications Division  
Office of the Secretary  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

RE:

Appeal of the Decision of the Universal Service Administrator  
CC Docket No. 02-6

Contact:

Janice Meyers  
Letter of Agency for Mount St. John School  
Janice Meyers Educational Consulting  
218 Gordon Ave.  
Sleepy Hollow, NY 10591

|                         |                      |
|-------------------------|----------------------|
| Funding Year:           | 2005                 |
| Applicant Names:        | Mount St John School |
| Entity Numbers:         | 5663                 |
| Form 471 Numbers:       | 458882               |
| Funding Request Number: | 1260682              |

Background:

On October 23, 2006 the Funding Request Number 1260682 was denied for the following reason: "This funding request is denied as a result of a Cost Effectiveness Review which has determined that your request for Basic Maintenance has not been justified as cost effective as required by FCC rules."

Upon appeal Funding for FRN 1260682 was denied by USAC for the reason that "The cost of the maintenance for piece of equipment (\$2,234.22) and the cost per student (\$503.12) has found to be not cost effective. FCC rules state that, in selecting a service provider, the applicant must carefully consider all bids submitted and must select the most cost-effective service or equipment offering, with price being the primary factor, which will result in being the most cost effective means of meeting educational needs and technology plan goals."

In this case, we believe that USAC's real reason for the denial is that the schools' funding request for Basic Maintenance of Internal Connections exceeded some predetermined guideline based on the number of students. We would ask the Commission clarify the cost-effectiveness measures and guidelines used by USAC to relate to the cost of the product or service required to implement the school's technology plan, not to the arbitrary cost per student that discriminates against small schools.

Mount St John School serves troubled boys who have been removed by the state from their homes. The school operates 12 months a year and has a longer school day to accommodate the IEP's (Individual Education Plan) of the students. These student require a large number of staff to insure that their educational, emotional, and safety needs are met.

Arguments:

We followed of the SLD procedures to submit this application. The FRN was based on a properly filed Form 470. Under FCC rules, a Form 470 posting constitutes an allowable and competitive bid and establishes a presumption that the bids and contracts are cost effective.

In addition, Mount St. John School checked to compare costs of maintaining a network of similar equipment and complexity. As of 2005, Mount St. John School had a network which costs \$505,896.06. The business industry standards dictate that the cost of maintaining a network is between 13-18% of the total cost of equipment. We asked for \$45,280 in Basic Maintenance or 8.9% of the total cost of the equipment to maintain the network. We feel that this was cost effective.

The SLD had no problem in granting the funding requests of Mount St. John School to build the current infrastructure. To date, the school has been fortunate enough to have funding from the SLD since 2000 in excess of \$600,000 regardless of the "number of students".

It seems that USAC has ruled that it is not "cost effective" to spend this much money on this few students, even though they had no problem building the network based on "the number of students". This is not the same definition of "cost effectiveness" that was addressed in the FCC *Yselta* decision. The cost of the Basic Maintenance for the Mount St. John network was well below the industry standard.

The Special Education students at Mount St. John (as well as all special education students) exceed the normal costs to educate and remediate, usually three to six times depending on their diagnosis and treatment plans. Few people would argue that the higher costs of these children are not justified or "cost effective"

Since the SLD denial, the school has had to bear 100% of the cost to maintain their network. This has resulted in the school diverting discretionary educational funds to cover the cost of maintaining this much used network.

The Universal Service program has a commitment to making telephone services universally available. The program regularly provides subsidies for higher unit cost situations. The cost to provide service to users in rural areas is often more expensive per user than urban areas. I would argue that to deny a request based of the "number of students" as "not cost effective" goes against the very integrity of the Telecommunications Act and the Universal Service Fund.

Conclusion:

By this appeal, we ask the Commission to review to above and overturn the USAC's denial of funding for FRN 1260682.

We ask that the FCC clarify that the FCC's prior guidance on the cost effectiveness as expressed in the Ysleta Order ( FCC 03-313) was based on relative prices available in the marketplace for goods and services, not on per student costs.

Sincerely submitted,

A handwritten signature in black ink that reads "Janice Meyers". The signature is stylized with a large, looped "J" and a cursive "Meyers".

Janice Meyers  
Letter of Agency for Mount St. John School  
Janice Meyers Educational Consulting  
218 Gordon Ave.  
Sleepy Hollow, NY 10591  
914-715-2466  
[meyersjanice@hotmail.com](mailto:meyersjanice@hotmail.com)

Attachment:

Letter of Appeal from Mount St. John School to USAC dated December 20, 2006



December 20, 2006

To:

Letter of Appeal

Schools and Libraries Division - Correspondence Unit

100 S. Jefferson Rd

P.O. Box 902

Whippany, NJ 07981

Applicant Name; Mount St. John School

BEN 5663

Application number 458882

FRN 1260682

From:

Janice Meyers

Letter of Agency for Mount St. John School

218 Gordon Ave.

Sleepy Hollow, NY 10591

[meyersjanice@hotmail.com](mailto:meyersjanice@hotmail.com)

914-715-2466 phone

914-332-0075 fax

Mount St. John School entered into a contract covering the 2005-2006 school year for Basic Maintenance to cover E-rate equipment and cabling for \$ 42,280.08 under FRN 1260682.

On October 23, 2006 the request was denied with the following reason: "This funding request is denied as a result of a Cost Effectiveness Review which has determined that your request for Basic Maintenance has not been justified as cost effective as required by FCC rules."

We are appealing this decision based on the following:

A footnote in a recent Global Resolution Order ([see DA06-1642](#)) states: "The commission's rules...do not expressly establish a bright line test for what is a "cost effective service". Although the Commission has requested comment on whether it would be beneficial to develop such a test, it has not, to date enunciated bright line standards for determining whether a particular service is priced so high as to be considered excessive or not cost effective."

The Basic Maintenance for the 2005-2006 year covers equipment and wiring installed since 2000. The amount of this equipment is \$ 505,896.06 See the attached spreadsheet for details.. The industry standard for maintaining equipment in the business world is from 13%-18% of the cost of the equipment. Mount St. John School requested \$ 45,280

for Basic Maintenance which is 8.9% of the cost of the equipment over the years. This is well below industry standards. The school felt that this was cost effective based on industry standards.

It should be noted that some of the equipment is 5 years old, but the school felt that it was more cost effective to keep this equipment because it was still functional than replace it. The cost to maintain older equipment is more than equipment under the manufacturer's warranty. In addition the operating system for the servers had to be upgraded.

Mount St John School serves troubled boys who have been removed by the state from their homes. The school operates 12 months a year and has a longer school day to accommodate the IEP's (Individual Education Plan) of the students. These students rely on the educational network and the Internet to bridge the "digital divide". Many of these students came from very impoverished homes and had no prior experience with technology. The school hopes to create life-long learners who will be capable of becoming productive and technologically literate citizens.

The denial of this request has forced Mount St. John School to divert funds used for other purposes to maintain this much needed network. Please restore full funding for FRN 1260682 so that Mount St. John School can continue its mission of rehabilitating these students.

JANICE MYERS

JANICE MYERS EDUCATIONAL

Consulting

218 GARDEN AVE

SLEEPY HOLLOW, NY 10591

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